

**DRAFT MINUTES OF THE TOWN OF GILBERT, ARIZONA SELF-INSURED TRUST FUND FOR
HEALTH INSURANCE BENEFITS BOARD OF TRUSTEES MEETING
CONFERENCE ROOM 300, 50 E. CIVIC CENTER DR., GILBERT, ARIZONA
January 24, 2018**

MEMBERS PRESENT: Anthony Panepinto, Chairman
Council Member Jordan Ray
Stephanie Perkins
Marry Dellai
Kelly Pfost

MEMBERS ABSENT: None

STAFF PRESENT: Kristen Drew, Human Resources Manager
Jolean Fleck, Human Resources Director
Donna Pedrera, Sr. Human Resources Analyst
Alex Kastanis, Benefits Specialist
Cris Parisot, Budget Analyst
Tanya Wright, Finance Manager

GUESTS PRESENT: Dawn Roberts, Willis Towers Watson
Steve Doyle, Willis Towers Watson

1. Call to Order

Chairman Panepinto called the meeting to order at 5:39PM.

2. Roll Call

Ms. Pedrera called roll and a quorum was declared.

3. Communication from Citizens

None

4. Quarterly Financial Report

Discussion, possible action by motion.

Ms. Wright reviewed the financial statement as of December 31, 2017, which is improved over last year and last quarter.

Council Member Ray motioned to accept the financial statement as of December 31, 2017. Ms. Dellai seconded the motion. The motion passed 5 – 0.

5. Review of Plan Dashboard

Discussion only.

Mr. Doyle reviewed the plan dashboard as of December 2017, noting that medical claims are down and pharmacy claims are up. The increased pharmacy claims are a nationwide trend and are also attributable to

some specific diagnoses within the plan. The medical claims are mostly through the MMSI run-off period, so going forward the claims trends will be more reflective of the Aetna network only.

Ms. Drew reviewed the Teladoc dashboard and noted that we have good usage of the benefit with over 120 users, year-to-date. This service receives very good ratings and staff hears positive feedback from staff on the service.

6. Review of Wellness Incentive Options

Discussion, possible action by motion.

Ms. Drew reviewed the goals of Gilbert Wellness and the options available through Aetna, using the wellness funds provided by Aetna. The Get Active program would replace the Step It Up Challenge, and would use \$550/month of Wellness Funds. This includes 4 challenges per year using a platform that allows social interaction amongst the users, and is available to employees and their families, even if they are not on the health plan. Additionally, the Fitness Reimbursement Program allows employees to submit for reimbursement of an assortment of fitness items, which can include gym membership, fitness equipment, personal training, nutritional counseling, and more. The cost for a \$30 reimbursement amount per employee is \$37K per year and can be implemented immediately. Lastly, Aetna Healthy Actions allows reporting from Aetna on the Healthy Journeys that employees can take through the Aetna Navigator portal/app. This will allow staff to promote usage and reward employees who are participating. No specific information is shared other than participation data. The cost for this \$165 / month but does not use wellness funds, rather is added to the administrative costs. The costs of these programs, in addition to the wellness funds used to but raffle prizes to date, will utilize the annual wellness fund allotment from Aetna. Ms. Drew requested approval to participate in the described programs beginning immediately.

Ms. Dellai motioned to authorize participation in the requested Aetna wellness programs through FY19. Mr. Panepinto seconded the motion. Motion passed 5 – 0.

7. FY19 Plan Discussion

Discussion, possible action by motion.

Ms. Drew reviewed the plan changes over the past two years, to include adding Preferred in FY17 and switching networks, third-party administrator, adding the BannerSelect plan and moving to a defined contribution structure in FY18. These changes were necessary in response to the claims trends and the challenges with the low balance of the health fund. In looking at the financial statement, we know those changes have had a positive effect as the fund is growing, yet is still below minimum fund balance.

During FY18 open enrollment and throughout the year employees have been told that FY19 options may include sun setting Legacy and adding a high-deductible health plan (HDHP). In reviewing the data, staff can confirm that Legacy is not a sustainable plan and should be removed.

In evaluating a HDHP option, staff has identified several board decisions that need to be made to set the parameters around which a HDHP option would be implemented. Typically this results in up-front costs to fund all or part of the health savings accounts (HSAs) of those participating the first year, as part of the transition. In addition, HDHP options are often offered at no premium, which reduces revenue, while not completely removing the expenses.

Ms. Drew stated that staff had concerns regarding cost, as the fund is still below minimum, and regarding employee readiness, as staff continues to educate employees and spouses on deductibles and co-insurance.

After some general discussion on HDHPs, Ms. Parisot reviewed the budget model which anticipates FY18 to end just under minimum balance. The model also looks out five years, and considers removal of Legacy and no rate increase for the two remaining plans. In this scenario, the fund is projected to end just above minimum balance in FY19.

Ms. Drew added that some plan design changes for the Board to consider include: removing the \$10 child copayment, as Aetna is manually processing these and agreed to do so for one year only; and adding ABA therapy as a covered item, at the request of several employees, which is anticipated to cost an additional \$80K in claims costs. After some discussion, the board asked to reduce the Teladoc co-payment from \$35 to \$20 as well.

Ms. Drew also reported that the dental plan was stable and there were no recommended plan design changes.

Staff's recommendation for FY19 is to remove Legacy, continue with Preferred and BannerSelect, with no rate increase, and to defer a high deductible plan to a later date. The anticipated council date for presentation is April 5, 2018.

There was some concern that the Board would like additional claims data before setting rates for FY19. Ms. Parisot stated that the model uses an average monthly claims amount, so the variance in trends is accounted for. Ms. Drew stated that the Board could wait until the February meeting to make the decision, but could not go past that date and meet the projected council meeting.

Council Member Ray motioned to approve the recommendation of staff as presented, and to come back to the Board in February if any change is necessary. Ms. Dellai seconded the motion. Motion passed 5 – 0.

8. Staff Update and Future Agenda Items

Ms. Drew reviewed the upcoming agenda items including, HDHP parameter discussions, election of officers, and claims audit.

9. Approval of Minutes of Prior Meetings

Motion to approve Minutes

Ms. Perkins motioned to approve the minutes of the meeting on November 29, 2017. Council Member Ray seconded the motion. The motion passed 5 – 0.

The next meeting of the Health Trust will be February 28, 2018 at 5:30pm, however this may be cancelled if there are no pressing agenda items.

10. Adjournment

Motion to adjourn.

Mr. Panepinto motioned to adjourn the meeting. Ms. Perkins seconded the motion. The motion passed 5-0. The meeting adjourned at 7:10 PM.

Anthony Panepinto, Chairman

ATTEST: _____
Kristen Drew
Human Resources, Benefits Manager